



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 2, 2008

### **H.R. 5741** **Shark Conservation Act of 2008**

*As ordered reported by the House Committee on Natural Resources on June 11, 2008*

#### **SUMMARY**

H.R. 5741 would prohibit certain activities that may involve shark finning (the practice of removing a shark's fins and discarding its carcass). The legislation also would direct the National Oceanic and Atmospheric Administration (NOAA) to identify foreign nations that do not sufficiently regulate fishing practices that harm sharks.

Based on information provided by NOAA and assuming the availability of appropriated funds, CBO estimates that implementing H.R. 5741 would cost \$5 million over the 2009-2013 period. Enacting the legislation would not affect revenues or direct spending.

H.R. 5741 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 5741 would impose a private-sector mandate, as defined in UMRA, by requiring that shark fins aboard fishing vessels, shark fins transferred or received at sea, and shark fins landed at a U.S. port be naturally attached to the carcass. CBO estimates that the cost of complying with the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$136 million in 2008, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 5741 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	1	1	1	1	1	5
Estimated Outlays	1	1	1	1	1	5

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 5741 will be enacted by the end of fiscal year 2008 and that the necessary amounts will be appropriated for each year.

H.R. 5741 would require NOAA to identify any nation that has not adopted a conservation program for sharks similar to that of the United States if fishing vessels of that nation catch sharks. The bill also would amend the Magnuson-Stevens Fishery Conservation and Management Act to prohibit fishing vessels from possessing shark fins that are not naturally attached to a carcass. Based on information provided by NOAA, CBO estimates that the agency would need \$1 million for each of fiscal years 2009 through 2013 to expand existing reports on fishing practices, to enforce new prohibitions on possessing shark fins, and to help foreign nations improve their shark conservation efforts by hiring new regulators and developing new laws and enforcement mechanisms.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 5741 contains no intergovernmental mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

H.R. 5741 would impose a private-sector mandate as defined in UMRA. The bill would make it unlawful to possess shark fins aboard fishing vessels, transfer or receive shark fins at sea, or land shark fins at a U.S. port without the fin naturally attached to the carcass. CBO estimates that the cost to comply with the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$136 million in 2008, adjusted annually for inflation).

Current law prohibits the possession of a shark fin on a fishing vessel and the landing of a shark fin at a U.S. port without the corresponding carcass. By requiring fins to be naturally attached to the shark, the bill would impose an additional mandate on owners and operators of those vessels. Because the National Marine Fisheries Service has issued a final rule with the same requirement for sharks harvested in the Atlantic Ocean, the mandate would apply only to vessels in the Pacific Ocean. If the requirement for Pacific sharks is implemented in a manner similar to the rule for Atlantic sharks, leaving fins attached by a flap of skin would be considered naturally attached and compliant with the mandate. Compared to leaving the fins completely attached, that process would provide for easier storage aboard the vessel and removal of the fin once landed. CBO expects that the mandate in the bill would be enforced in this manner and thus would not impose significant additional costs on owners and operators of vessels.

The bill also would impose a mandate on the owners and operators of certain U.S. vessels by prohibiting the vessels from receiving shark fins at sea that are not naturally attached to the carcass. The cost would be any net loss in income to the owners and operators of those vessels. CBO estimates that the cost would not be significant in relation to the threshold established in UMRA.

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